



## **Digital Agency RFP Brief: Bike Fall Campaign 2019**

### **Background**

Over the past few years, the Bike business has exploded at a phenomenal pace with over a million Members strong. However, while we've been making between Peloton more accessible over the past 24 months with a sharper consumer focus, a new product positioning and the launch of consumer financing, the number one barrier to purchase remains perceived value ("I don't think it's worth the money"). As we gear up for another aggressive holiday at Peloton, the goal of this brief is to help prime the pump ahead of our peak selling season by having consumers better understand the value of the Peloton Bike.

When Peloton was founded 6 years ago it disrupted the fitness industry. For those early adopters, it was easy to see why and our job as marketers was to raise awareness of this new innovation. As we have matured and are looking to cross the chasm and connect with the early majority, we need to work a little harder to connect those dots of how this revolutionary product would fit into their lives.

### **Marketing Objective**

Extend and build upon the core campaign idea "For anyone who wants it" to grow our customer base through digital and social executions that will help deliver our objective to re-position Peloton bike as the immersive cardio experience you never knew you needed. Specifically for digital this should drive the full funnel / consumer journey through from consideration to conversion and purchase intent.

Campaign overview [here](#).

### **KPIs:**

**Campaign KPI:** Bike sales

**TVC KPI:** Response Rates. Drives to [onepeloton.com/Bike](https://onepeloton.com/Bike) (expected 80% reach among the target)

### **Digital Campaign Objectives:**

- Drive consumers through full-funnel / Journey / 'path to purchase'. From consideration through to conversion and purchase intent. Ultimately helping to drive incremental bike sales.

### **Digital KPIs:**

- CTR
- 'Quality' traffic /visits to web pages ([onepeloton.com/bike](https://onepeloton.com/bike) / custom landing experience if relevant)
  - Indicator of customer interest and ability to build retargeting pool.
  - *\*Quality' defined as site dwell time / repeat visits / add to cart / purchase.*
- Repeat visits to site / lower funnel pages ( ('Shop' / [Financing](#))
- Purchase Intent: ('Add to cart')



## **Our Challenge**

While Peloton has been wildly successful, consumers perceive the product as expensive (fueled by misinformation about price) and are not clear on the value it provides to *their* lives. To continue to grow the Bike business at our current trajectory, we'll need to show them otherwise.

## **Comms Goal**

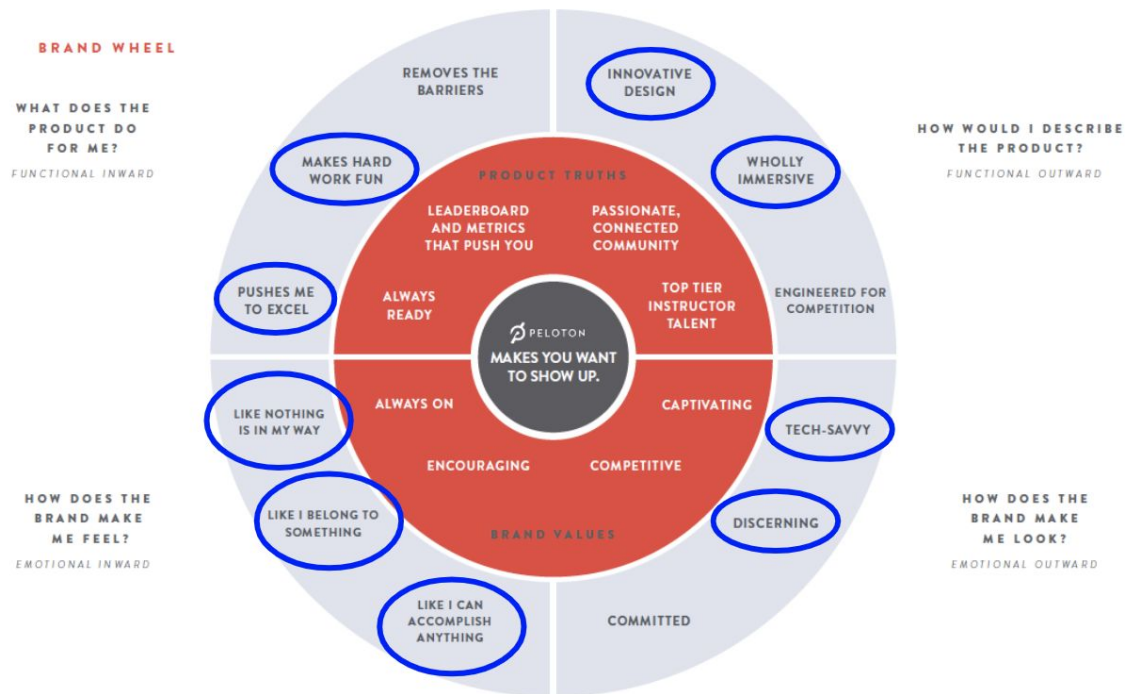
- GET: our core Serious About Fitness consumer
- WHO: is aware, but not planning to buy, because they don't think it's worth the money
- TO: shift how they perceive the Peloton Bike
- BY: showing the Peloton Bike is actually better value than you think

## **Key Insights:**

- The Serious About Fitness consumer who rejects Peloton, loves the energy, motivation and accountability a group class provides, but only 6% are engaging boutique spinning
  - Access to bad and inconvenient gym classes, dated perceptions of spin or see a spin bike as a warm up machine are all driving factors.
- Given 87% of consumers have a neutral or positive outlook towards Peloton, they're not rejecting the brand, but rather rejecting the product because they don't understand what it can do for them
- These consumers' needs are simple: they want a great cardio workout that keeps them engaged/motivated that's good worth the money. However, while Peloton can deliver on all these, consumers who don't spin are not connecting those dots.
- While many consumers are falling out of the funnel, those who do move through the funnel believe these core statements:
  - It's more convenient to workout at home (69%)
  - I think Peloton is a great cardio workout (64%)
  - Peloton would be an addition to my current routine (75%)
  - Engage in spin (65%)
  - While those who are falling out of the funnel:
    - It's not worth the cost (85%)
    - I'm not convinced I'll stick with it (57%)
    - I don't want indoor cycling to be my primary form of workout (55%)
    - Don't engage with spin (64%)

## **Reasons to believe**

- New pricing structure
  - Since Oct 2017, Peloton has restructured how people pay for the bike, offering the bike at \$58/mo + Membership. 2 years later, almost half of bikes sold are now paid for monthly.
- A Membership that scales across the family
  - At \$58/mo + subscription, the cost is cheaper than what your family is currently spending on the gym (SAF average is \$165/mo pp on fitness; \$58/mo pp on the gym)
- All access to Peloton Digital
  - With any Peloton hardware Membership, the whole family gets unlimited access to the Peloton Digital such as strength, yoga, running and bootcamp classes
    - From Sept 2018 to Jan 2019, the percentage of hardware users using the app has gone from 31% to 52%
- A better way to workout
  - With the Peloton Bike, you can get an efficient, fun & motivating workout without the commute.
  - With 90 live classes a week - of all genres and lengths - it's never been easier to get a killer workout



○ Most common marketing / communication entry points

See [Peloton Brand Positioning \(May 2018\)](#) for more information

- **Who are we talking to?** Core target: "Serious About Fitness"
- **Key Attributes**
  - Serious About Fitness (SAF) consumers demonstrate distinct mindsets and behaviors
  - Mindsets
    - Prioritize fitness
    - Enjoy the energy from workout classes
    - Look forward to working out
  - Behaviors
    - Follow regular exercise routine
    - Spend more than \$150 a month on fitness
    - Work out 4x or more a week
    - Share many top exercises preferences: Walking for exercise, weight lifting, and jogging/running
- **Demographics:** 25-64, mostly married - HHI \$100K+ - Equal male/female - Employed full time - Highly educated.



## **The Ask:**

Peloton is looking to build an extension to the core campaign idea that is currently rooted in a TV ad, through a digital campaign that is engaging and breakthrough for the brand. As part of the RFP pitchback, we ask that you:

### **1. PRESENT YOUR STRATEGIC APPROACH TO EXTENDING THE CORE CAMPAIGN IDEA**

- How do you approach (steps you take for) extending the campaign idea through digital?
- What elements do you feel are required in our core campaign to feel authentic to the platforms / digital?
- How will you measure success?
- What (if any) insights / research would you carry out?
- Consider and share how you approach the full consumer journey: how would the campaign navigates consumers from awareness / consideration through Peloton's path to purchase and how do you share and formalize that thinking with us.

### **2. PRESENT 2-3 DIGITAL IDEAS THAT DELIVER AGAINST THE CAMPAIGN THAT PELOTON IS "FOR ANYONE WHO WANTS IT"**

- a. Priority: Demonstrate how you would transcreate the TV concept for digital channels and audience. (including but not limited to Facebook & Instagram video link posts / stories / carousels & YouTube bumpers)
- b. Build on existing core campaign idea for a digital audience / channels.
  - i. **Optional:** Come up with a blue-sky digitally driven campaign that addresses the challenge of broadening the appeal of the Peloton Bike, among our core SAF consumer, to demonstrate the value the Peloton bike provides.
- NB. Platforms & units should include but not be limited to, Facebook & Instagram ( video link posts / stories / carousels) & YouTube (bumpers)
- Express the activation ideas above through the most relevant and effective content formats and channels based on the idea - video, gif, images, etc. and rationale for each demonstrating your ability to create / optimize for the platform.

### **3. SHARE YOUR PROCESS AND WAYS OF WORKING THROUGH PRODUCTION AND DELIVERY**

- a. Production: What are the steps you take to produce the above campaign content for digital? Considering the differing approach for 'transcreating' existing shoot assets, potentially building on an existing TV shoot and a stand-alone shoot / content capture.
- b. Cost structure: Share cost estimate against the ideas for production as well as agency time to deliver the campaign (expectation for transcreation and expanding the core idea is all-in production under \$400k depending on the idea and potential ROI)
- c. Share a production plan for how you'd work with and utilize a TV shoot schedule as follows:
  - i. 6/6 - final TV creative approved
  - ii. 7/1 -TV shoot award
  - iii. w/o 7/22 - TV shoot
  - iv. 9/9 - live
- d. Process: How do you approach working with the internal creative teams / Media partners and the Creative agency inc. reviews / share-outs / adaptations



- e. **If** relevant to your campaign ideas, share your approach to 'dynamic creative' and efficient 'personalization' (including video formats, across channels including social platforms).
4. **PROVIDE A TOP-LINE OVERVIEW OF HOW YOU WOULD APPROACH BUILDING DIGITAL CAMPAIGNS ACROSS THE PELOTON PORTFOLIO:**
    - a. How would it differ between Bike / Tread / Digital while living cohesively under the Peloton Brand.

**Mandatories/Considerations:**

- The brand should feel familiar across all touchpoints - regardless of how the campaign comes to life digitally, it needs to hang together under the Peloton brand.
- While the digital execution does not necessarily have to be 'matching luggage' it should feel like one cohesive campaign.
- Given the narrow timing for this campaign, consider to what extent seasonal relevance plays a role.
- While we use the word bike freely, the "the Peloton Bike" is actually defined by the integrated experience of hardware software and content. Need to ensure we don't draw focus to the hardware only.
- Keep in mind the importance of our category of one positioning, the goal is to sell consumers on Peloton, not grow interest in spinning as an activity.
- [Test ride booking](#) and foot traffic to show rooms are key 'landing' environments but not a focus for this brief.
- While it is not a key KPI for digital creative directly, Customer acquisition cost is a key metric all campaigns are measured against.
- If we move ahead with you, we would be looking to have your agency activate a campaign in-line with the TV shoot timeline set out above.

**References:**

- [Brand DNA](#)
- [Brand Voice](#) (July 2018)
- [Brand Guidelines](#) (August 2018)
- [Bike path to purchase snapshot](#) (2016)
- [SAF Segmentation](#) (May 2018)
- [Peloton Bike positioning](#) (May 2018)
- [spring campaign overview deck](#)
- [Examples of previous digital ads for Bike](#)
- Campaign overview deck [here](#).
- <https://press.onepeloton.com>

**Timing:**

**Milestone 1: Email submission (w/o 4/29-w/o 5/6)**

- General Portfolio & Capabilities (per roles and responsibilities section)
- Bios of the core team (per roles and responsibilities section)
- Overview of agile, efficient, budget-appropriate production process fitting to digital production requirements.



**Milestone 2: 1h call (w/o 4/29-w/o 5/6)**

- Come prepared to review capabilities/background (we want to get to know you) and how you'd work with Peloton's internal team and be prepared to discuss the overall objectives/thought starters laid out above.
- Case studies and detail on your process and approach to 'dynamic creative' and efficient 'personalization' at scale (including any tools / platforms you might use / inc. video formats, different channels and social platforms).
- Cost considerations (rate card / cost approach and examples)

**Milestone 3 In-person presentation (w/o 5/13)**

- Present agency pitch-back in a formal presentation to Peloton cross-functional leadership teams.

***Looking to have agency engaged and able to move forward with work kicking off in May (timeline above).***